American Forest & Paper Association

Why the SEC Needs to Reconsider Regulation E-Delivery

What Is the SEC Proposing with Regulation E-Delivery?

The Securities and Exchange Commission (SEC) proposed Regulation E-Delivery. Under this rule, financial institutions would be allowed to send financial documents to customers **electronically by default.** That includes:

- Brokerage firms
- Mutual fund companies
- Banks
- Trust companies
- Retirement plan administrators

Currently, these financial disclosures must be sent on paper through the mail by default, with the option to choose digital delivery.

That means issuers of financial information would **no longer need permission** to switch someone to digital. And it would be the **individual's responsibility** to switch back to paper.

> That shift puts **seniors, rural residents and families** without reliable internet at risk of missing essential information they rely on.

Does Everyone Have Reliable Internet Access?

No, millions of Americans do not have **reliable internet, a computer** or the confidence to manage important documents on a screen. Regulation E-Delivery would leave them behind.

According to the Federal Communications Commission (FCC), many lack access to fixed broadband, including:

- Nearly **28%** of people in **rural** areas
- More than **23%** of people on **Tribal lands**

For many seniors, people with disabilities and lower-income households, a printed statement is not just a preference. Paper is an **essential, trusted and secure** way to receive and retain important information.

> The SEC must make sure **everyone can easily access** their financial information, not make it harder for millions of Americans.

AF&PA POSITION: OPPOSE

Can People Already Choose Digital Delivery?

Yes, Americans who want digital delivery **can already choose it today.** That option is not going away. The proposed Regulation E-Delivery changes the default send method.

Currently, the default method is paper with the option for e-delivery, and it has been for decades. Regulation E-Delivery makes digital delivery the default instead.

But Americans believe that **choice should be theirs.** Nearly **80%** say they want the **right to decide** how they receive financial and service communications, according to Two Sides North America.

Digital Delivery Has Its Risks

While digital storage is convenient, it is not without cyber threats and vulnerabilities.

Cybersecurity risks and data breaches continue to be a concern. **22% of Americans** have been victims of **identity theft.** The most common type of ID theft is **financial.**

Paper records offer an alternative to reduce digital theft, hacking or accidental data loss.

Why Must Paper Stay the Default?

When digital becomes the default, paper volumes drop. That **loss moves down the value chain**, from U.S. paper mills and the people who work in them to the Postal Service that depends on this mail.

The SEC **must not move forward** with its proposed Regulation E-Delivery. Modernization must be measured by whether information actually reaches people.

This proposal leaves millions behind.

The SEC must:

- Protect investor choice
- Maintain access to a paper option
- Ensure the final rule recognizes the continued value and necessity of printed communications

Keep paper as the default. Digital is already an option.